

## Corporate Credit Rating

☑New ☐Update

**Sector:** Chemical

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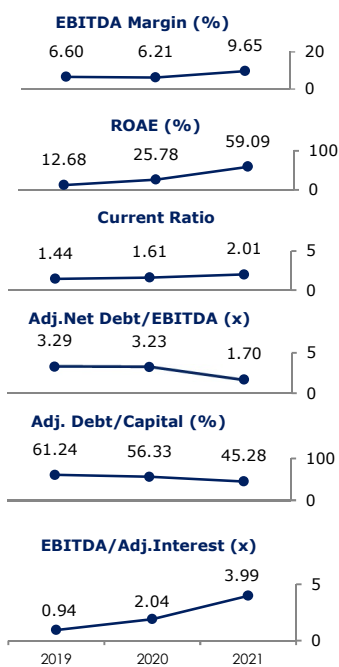
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RATINGS		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	A (tr)	J1 (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	J3
	International FC ICR Outlooks	Stable	Stable
	International LC ICR	BB	J3
ISRs (Issue Specific Rating Profile)	National ISR	-	-
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

\* Assigned by JCR on May 31, 2021



## LİKİT KİMYA SANAYİ VE TİCARET A.Ş.

JCR Eurasia Rating, has evaluated the "Likit Kimya Sanayi ve Ticaret A.Ş." in the high-level category and assigned the Long-Term National Issuer Credit Rating at 'A (tr)' and the Short-Term National Issuer Credit Rating at 'J1 (tr)' with 'Stable' outlooks. On the other hand, the Long Term International Foreign and Local Currency Issuer Credit Ratings and outlooks were assigned as 'BB/Stable' as parallel to international ratings and outlooks of Republic of Turkey.

Likit Kimya Sanayi ve Ticaret A.Ş. ("Likit Kimya" or "the Company") was established in August 2, 1996. Main field of the Company consists of the trade of chemical raw materials. Currently with an annual average gross storage capacity of 100,000 m<sup>3</sup> and nearly 17 chemical products, Likit Kimya provides inputs to a wide range of industries such as textiles, construction, detergents, paper, food, chemical and cosmetics sectors. In addition, the Company supplies packaging, storage and delivery services for chemicals. The Company operates at three main location in Marmara Ereğli, Adana Yumurtalık Free Zone and İzmit. The Company has the subsidiaries as Alka Port Ceyhan Liman İşletmeleri A.Ş. and Axoy Holding BV and they were not consolidated from the date acquisition with the financial statements of the Company.

As of December 31, 2021, the Company has 132 employees (FYE2020: 106 employees).

The Company's main ultimate controlling shareholder is Ahmet Aksoy with 58.75 % share of the Company and rest of the shares belongs to Edibe Sürücü, Oya Gülen, Birsen Yaşar, Ayfer Yaşar.

Key rating drivers, as strengths and constraints, are provided below.

### Strengths

- Steady increase in sales revenues and considerable export revenues due to varied product range and sector diversification with its continuous investments,
- Solid EBITDA generation capacity and significantly improved Net Debt/EBITDA ratio,
- Reasonable level of net working capital,
- Strong asset quality through low receivables risk,
- Valuable and well-located distribution network and warehouses,
- Over 25 years of experience in sector and successful track record.

### Constraints

- External funding needs for operational cycle and ongoing investments,
- Dependency on raw material prices dictated by foreign suppliers,
- Operational risk exposing due to risk elements arising from abroad operations and nature of business,
- Existing uncertainty due to Russia-Ukraine war affecting input prices, demand and investment plans in the world.

Considering the aforementioned points, the Company's the Long-Term National Issuer Credit Rating has been assigned as 'A (tr)'. The Company's steady profitability indicators, asset size and diversified income stream have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as 'Stable'. The Company's equity level, fluctuations of the exchange rates, debt maturity and its level, cash flow and liquidity level will be closely monitored by JCR Eurasia Rating in upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.